

VIA: EMBASSY AIR MAIL AIR MAIL

DISPATCH NO. EASIA-4263

DOCUMENT MICROFILM SERVICE

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TO : Chief, ~~RE~~
Attn:
FROM : Chief or ~~RE~~, Salzburg

DATE 3 Feb. 1953

SUBJECT ~~RE~~ - Operational/EMBASSY

MEMO- Progress Report, January 1953

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Headquarters Action Required

1. None; for information and files only.

Synopsis of Developments

2. The following is a list of the principal developments which took place during this reporting period:

a. twice and received 12 rolls of undeveloped 35 mm film containing photographs of police reports. (This film has not yet been developed and printed, so a subject breakdown cannot yet be given.)

b. The Albert operation continues. He has contacted Peter SARMIN twice and it now appears as though Albert may be given for delivery to SARMIN a letter containing instructions setting up a meeting in the American Zone between SARMIN and an RIS principal agent. For further details, see paragraph 3, below.

c. Through the Albert operation, Ivan LASIO was identified as an RIS recruitment target. He did not attend a meeting which was suggested in a letter sent to him by the RIS. For further details, see paragraph 4, below.

d. Developments in the Alois KIDER operation were not of significance. He is still scheduled to be arrested by ZIPPER on his next trip to Germany.

Through Eidesheim, the RIS is showing renewed interest in Eugenia ALTMER, who is employed in a sensitive position at KID/Idns. Action is being considered to forestall an RIS recruitment. For further details, see paragraph 5, below.

e. Two more persons have reported to that they have been approached by the RIS. Both have refused to become double agents and are moving from Urfahr to Idns. For further details, see paragraph 6, below.

g. Josef URBAN received yet another ^{letter} from the RIS attempting to get him to come to a meeting in Urfahr. Comment: The RIS tried

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to recruit URBAN in July 1954. He immediately reported it to [] and moved from Urfahr to Linz. This is now the second letter that URBAN has received since moving to Linz.) Details will be reported separately as soon as the films have been developed.

b. [] is still trying to collect information on Georg KISLER, head of the Austro-Czech Society in Vienna. For further details, see paragraph 7, below.

i. Information has not yet been received on Czechs and Hungarians applying for visas to visit Upper Austria. For further details, see paragraph 8, below.

j. [] asked [] to pull together and photograph all his material on Alois KUEHNEL, Urfahr Police Director. He said that he would do so at the first opportunity.

k. [] was told to charge to his KUEHNEL expense account the entertainment costs involved in developing closer contacts, of possible operational value, with certain Upper Austrian officials. For further details, see paragraph 9, below.

1. The VOB Reports Office processed the following [] report: EAV-2135, Incident in Urfahr Involving Two USIA Illegal Traders.

Developments

3. The Albert operation continues, as Albert is reluctant to move from Urfahr to Linz. Upon instructions from the RIS, Albert has contacted Peter SARMIN several times. The position of SARMIN is unclear; in an apparent effort to cover himself against both sides, SARMIN has reported the contacts to the Wels police, while at the same time indicating to Albert that he may be willing to cooperate with the RIS but not to go over to Urfahr or return to the USSR. At his next meeting with the RIS, Albert is supposed to receive a letter for delivery to SARMIN which would set up a meeting, in the American Zone, between SARMIN and an unidentified person who is apparently an RIS principal agent. All of these developments will be reported separately as soon as the film containing the reports has been developed and printed. (For background information on the Albert case, see EISA-4259.

4. The RIS gave Albert a letter to be mailed in Linz to one ISEN LASIC, born 10 October 1929 in Orahovica, Yugoslavia, residing Eisalbergsstr. 30, Wels. From the contents of the letter, which was clandestinely opened by [] it is apparent that the RIS once had contact with LASIC and is trying

to resume this contact. Surveillance of the meeting site suggested in the letter indicated that LASKO did not attend the suggested meeting. This information will be reported separately as soon as the files are developed and printed.

5. The Bledzine operation has come to life again. The KGB is showing renewed interest in Auguste KREISZER, who is employed in a sensitive position at KVIKIM. It now appears that they will drop their efforts to get at KREISZER through Bledzine and will have a new try to strike up an acquaintance with KREISZER in the streetcar on her way to work. Information received from MO 6, whose cover job is in the same office with KREISZER, indicates that KREISZER's attachment to sex and money may be sufficient to make her recruitable. Action to forestall a possible KGB recruitment is being considered. Details are being reported separately.

6. Two more persons, one a Polish ... and the other an employee of the German Delegation in Liss, have come to ... with stories of attempted KGB recruitment. ... tried to play both of them as dupes, but they both announced their intention to move immediately from Ukraine to Liss and their complete unwillingness to have anything to do with the KGB. ... did not recall the full names, but detailed reports are being written up. Details will be reported separately as soon as those reports have been received.

7. ... is still working on collecting information on Gennadi KREMER. Head of the Austrian-German Society in Vienna and a close friend of KREMER, ... says that he will not contact KREMER because such an operation would go far beyond his targets and his means, but ... believes ... may not be able to resist the temptation if the KREMER lead really turns out to be a good one.

8. Regarding visa applications of Czech and Hungarian nationals visiting Upper Austria, ... reported that he receives check requests only on those persons visiting the rural areas of Upper Austria. Persons visiting Liss, Viena or St. Gallen are checked by the Police Directorate of those cities. Photographs of visa check requests have not yet been received by ... because ... has allegedly not yet had time to have the file re-organized in a manner to make photographing on a continuous basis feasible.

9. While living in Viena ... was effectively cut off from Liss social life and contacts. Now that he has moved to Liss, the possibility arises for him to develop various social contacts which could be of possible operational value. Among such potential contacts are (Upper Police Director) Alwin JENDZIAKOWSKI, (SPoL Law Department) Kurt KLEINER, head of the city handing office, and the directors of the Upper Austrian Krankenhaus, Osnabrück, Post, Finance, and Gas and Electric. The various possibilities here have frequently been discussed between ... In the course of a

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discrepancy of the high costs involved in the social development of such contacts, [] told [] to charge these costs to his KUBARK expense fund, under the heading of "representation."

Assessment of Developments

10. As can be noted from the above, most of the developments during this period were connected with the monitoring of RIS activities in the Linz area. The increase in [] activity in this sphere during the past year is remarkable. Whether this indicates an increase in RIS activity, or simply an increase in the propensity of Austrians to report such activity to Austrian police authorities, is not known. In any case, [] reporting will soon be sufficient to give a fairly satisfactory picture of the type activities engaged in by RIS Urfehr.

Future Plans

11. During the coming month, [] plans to pay particularly close attention to the following matters:

- a. Follow closely the Albert case, and try to pick up any leads which it might offer. For example, if SARGHIN is in fact contacted by an IUS principal agent, GRILLEA will try to identify him through surveillance but will be unable to take any positive action against him. He expressed his willingness to turn over to KUBARK any such lead.
- b. Make certain that a procedure does get set up whereby [] gets copies of visa check requests on Czechs and Hungarians intending to visit Upper Austria.

Attachments

12. Forwarded herewith in two copies for EZ and two copies for VOB are the following memoranda:

- a. LSB/L-735, Contact Report, 4 January 1955.
- b. LSB/L-733, Contact Report, 20 January 1955.

13. Forwarded to Headquarters separately during the reporting period were the following dispatches pertinent to the [] operation:

- a. EASA-4188, Alois EDER, RIS Agent; Summary of Personal Acquaintances and Intelligence Contacts.

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b. EASA-4259, "Albert" (substitute true name), Self-Confessed RIS
Urfahr Agent.

c. EASA-4260, Alleged Penetration of CPC Committee for
Party Surveillance.

27 January 1955

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